

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2019

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Mackenzie Financial Corporation, the Manager of the Fund, appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.



MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	546,640	641,612	Series A	12.75	13.27
Cash and cash equivalents	–	328	Series AG	43.47	45.19
Accrued interest receivable	42	41	Series AR	10.19	10.62
Dividends receivable	938	773	Series B	51.10	53.19
Accounts receivable for investments sold	559	1,125	Series D	10.14	10.51
Accounts receivable for securities issued	19	12	Series F	12.36	12.77
Unrealized gains on derivative contracts	139	–	Series F5	13.50	14.27
Total assets	548,337	643,891	Series F8	10.23	10.97
			Series FB	10.64	11.01
			Series FB5	13.08	13.85
			Series G	14.47	15.02
			Series I	11.60	12.03
			Series J	14.66	15.24
			Series O	20.51	21.09
			Series PW	10.46	10.87
			Series PWFB	9.22	9.52
			Series PWFB5	12.17	12.85
			Series PWR	9.49	–
			Series PWT5	11.79	12.55
			Series PWT8	11.08	11.96
			Series PWX	11.08	11.39
			Series R	19.88	20.44
			Series T5	9.60	10.24
			Series T8	6.44	6.97
LIABILITIES					
Current liabilities					
Bank indebtedness	697	–			
Accounts payable for investments purchased	–	1			
Accounts payable for securities redeemed	809	662			
Unrealized losses on derivative contracts	14	215			
Total liabilities	1,520	878			
Net assets attributable to securityholders	546,817	643,013			
Net assets attributable to securityholders					
per series (note 3)					
Series A	270,869	324,014			
Series AG	4,099	4,684			
Series AR	3,349	3,842			
Series B	1,134	1,291			
Series D	805	804			
Series F	33,674	39,978			
Series F5	14	15			
Series F8	230	244			
Series FB	356	306			
Series FB5	1	1			
Series G	4,422	5,108			
Series I	10,002	10,844			
Series J	332	785			
Series O	44,044	48,530			
Series PW	155,804	183,169			
Series PWFB	1,191	1,024			
Series PWFB5	1	1			
Series PWR	377	–			
Series PWT5	62	79			
Series PWT8	479	539			
Series PWX	4,648	5,087			
Series R	10,160	11,703			
Series T5	289	394			
Series T8	475	571			

The accompanying notes are an integral part of these financial statements.



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MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2019	2018		2019	2018
	\$	\$		\$	\$
Income			Series PWFB5	–	–
Dividends	9,633	7,727	Series PWR	(31)	–
Interest income	166	561	Series PWT5	(2)	–
Other changes in fair value of investments and other net assets			Series PWT8	(21)	14
Net realized gain (loss)	(38,869)	36,263	Series PWX	(131)	356
Net unrealized gain (loss)	13,736	(892)	Series R	(288)	742
Securities lending income	–	84	Series T5	(14)	33
Total income (loss)	(15,334)	43,743	Series T8	(18)	51
			Increase (decrease) in net assets attributable to securityholders from operations per security		
Expenses (note 6)			Series A	(0.51)	0.78
Management fees	5,436	7,100	Series AG	(1.73)	2.23
Management fee rebates	–	(15)	Series AR	(0.37)	0.47
Administration fees	573	758	Series B	(2.14)	2.96
Interest charges	4	15	Series D	(0.35)	0.58
Commissions and other portfolio transaction costs	316	132	Series F	(0.41)	0.56
Independent Review Committee fees	1	1	Series F5	(0.46)	–
Other	–	1	Series F8	(0.35)	0.48
Expenses before amounts absorbed by Manager	6,330	7,992	Series FB	(0.40)	1.00
Expenses absorbed by Manager	–	–	Series FB5	(0.46)	0.78
Net expenses	6,330	7,992	Series G	(0.56)	0.79
Increase (decrease) in net assets attributable to securityholders from operations before tax	(21,664)	35,751	Series I	(0.42)	0.63
Foreign withholding taxes	636	568	Series J	(0.53)	0.77
Foreign income taxes paid (recovered)	–	–	Series O	(0.58)	1.28
Increase (decrease) in net assets attributable to securityholders from operations	(22,300)	35,183	Series PW	(0.41)	0.25
Increase (decrease) in net assets attributable to securityholders from operations per series			Series PWF	–	0.49
Series A	(11,740)	24,432	Series PWF8	–	0.58
Series AG	(173)	251	Series PWFB	(0.33)	0.29
Series AR	(122)	152	Series PWFB5	(0.39)	0.76
Series B	(50)	84	Series PWR	(0.78)	–
Series D	(27)	21	Series PWT5	(0.33)	(0.15)
Series F	(1,223)	1,490	Series PWT8	(0.44)	0.34
Series F5	(1)	–	Series PWX	(0.31)	0.71
Series F8	(8)	7	Series R	(0.54)	1.27
Series FB	(14)	34	Series T5	(0.36)	0.57
Series FB5	–	–	Series T8	(0.25)	0.48
Series G	(181)	293			
Series I	(369)	552			
Series J	(19)	44			
Series O	(1,276)	2,647			
Series PW	(6,553)	3,359			
Series PWF	–	597			
Series PWF8	–	5			
Series PWFB	(39)	19			

The accompanying notes are an integral part of these financial statements.

MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series G		Series I		Series J		Series O		Series PW	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	5,108	6,133	10,844	11,405	785	959	48,530	46,730	183,169	87,504
Increase (decrease) in net assets from operations	(181)	293	(369)	552	(19)	44	(1,276)	2,647	(6,553)	3,359
Distributions paid to securityholders:										
Investment income	-	-	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	(12)
Total distributions paid to securityholders	-	-	-	-	-	-	-	-	-	(12)
Security transactions:										
Proceeds from securities issued	1	4	-	80	-	-	1,642	3,672	7,081	134,084
Reinvested distributions	-	-	-	-	-	-	-	-	-	5
Payments on redemption of securities	(506)	(606)	(473)	(385)	(434)	(56)	(4,852)	(3,242)	(27,893)	(15,865)
Total security transactions	(505)	(602)	(473)	(305)	(434)	(56)	(3,210)	430	(20,812)	118,224
Total increase (decrease) in net assets	(686)	(309)	(842)	247	(453)	(12)	(4,486)	3,077	(27,365)	121,571
End of period	4,422	5,824	10,002	11,652	332	947	44,044	49,807	155,804	209,075

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	340	385	902	889	52	59	2,302	2,070	16,852	7,591
Issued	-	-	-	6	-	-	78	154	655	11,063
Reinvested distributions	-	-	-	-	-	-	-	-	-	-
Redeemed	(34)	(36)	(40)	(29)	(29)	(3)	(232)	(137)	(2,611)	(1,317)
Securities outstanding – end of period	306	349	862	866	23	56	2,148	2,087	14,896	17,337

NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	Series PWF		Series PWF8		Series PWF8		Series PWF85		Series PWR	
	\$		\$		\$		\$		\$	
Beginning of period	-	14,031	-	123	1,024	377	1	1	-	-
Increase (decrease) in net assets from operations	-	597	-	5	(39)	19	-	-	(31)	-
Distributions paid to securityholders:										
Investment income	-	-	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	(2)	-	-	-	-	-	-
Management fee rebates	-	(3)	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	-	(3)	-	(2)	-	-	-	-	-	-
Security transactions:										
Proceeds from securities issued	-	829	-	-	282	589	-	-	491	-
Reinvested distributions	-	1	-	-	-	-	-	-	-	-
Payments on redemption of securities	-	(15,455)	-	(126)	(76)	(26)	-	-	(83)	-
Total security transactions	-	(14,625)	-	(126)	206	563	-	-	408	-
Total increase (decrease) in net assets	-	(14,031)	-	(123)	167	582	-	-	377	-
End of period	-	-	-	-	1,191	959	1	1	377	-

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	-	1,192	-	9	108	37	-	-	-	-
Issued	-	68	-	-	29	56	-	-	49	-
Reinvested distributions	-	-	-	-	-	-	-	-	-	-
Redeemed	-	(1,260)	-	(9)	(8)	(3)	-	-	(9)	-
Securities outstanding – end of period	-	-	-	-	129	90	-	-	40	-

The accompanying notes are an integral part of these financial statements.

MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018
	Series PWT5		Series PWT8		Series PWX		Series R	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	79	1	539	489	5,087	6,188	11,703	13,103
Increase (decrease) in net assets from operations	(2)	–	(21)	14	(131)	356	(288)	742
Distributions paid to securityholders:								
Investment income	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–
Return of capital	(1)	(2)	(21)	(23)	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(1)	(2)	(21)	(23)	–	–	–	–
Security transactions:								
Proceeds from securities issued	17	86	54	330	101	388	5	54
Reinvested distributions	1	1	14	16	–	–	–	–
Payments on redemption of securities	(32)	–	(86)	(175)	(409)	(718)	(1,260)	(829)
Total security transactions	(14)	87	(18)	171	(308)	(330)	(1,255)	(775)
Total increase (decrease) in net assets	(17)	85	(60)	162	(439)	26	(1,543)	(33)
End of period	62	86	479	651	4,648	6,214	10,160	13,070

	Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	6	–	45	36	447	507	572	599
Issued	2	6	4	23	9	31	–	2
Reinvested distributions	–	–	1	1	–	–	–	–
Redeemed	(3)	–	(7)	(13)	(36)	(56)	(61)	(36)
Securities outstanding – end of period	5	6	43	47	420	482	511	565

	Series T5		Series T8		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	394	731	571	1,151	643,013	762,508
Increase (decrease) in net assets from operations	(14)	33	(18)	51	(22,300)	35,183
Distributions paid to securityholders:						
Investment income	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–
Return of capital	(7)	(21)	(19)	(35)	(57)	(92)
Management fee rebates	–	–	–	–	–	(15)
Total distributions paid to securityholders	(7)	(21)	(19)	(35)	(57)	(107)
Security transactions:						
Proceeds from securities issued	82	27	33	17	20,701	172,662
Reinvested distributions	4	12	7	13	29	52
Payments on redemption of securities	(170)	(221)	(99)	(552)	(94,569)	(225,596)
Total security transactions	(84)	(182)	(59)	(522)	(73,839)	(52,882)
Total increase (decrease) in net assets	(105)	(170)	(96)	(506)	(96,196)	(17,806)
End of period	289	561	475	645	546,817	744,702

	Securities		Securities	
Increase (decrease) in fund securities (note 7):				
Securities outstanding – beginning of period	38	64	82	144
Issued	9	2	5	1
Reinvested distributions	–	1	1	2
Redeemed	(17)	(19)	(14)	(67)
Securities outstanding – end of period	30	48	74	80

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MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2019	2018
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(22,300)	35,183
Adjustments for:		
Net realized loss (gain) on investments	38,588	(37,383)
Change in net unrealized loss (gain) on investments	(13,736)	892
Purchase of investments	(122,516)	(32,912)
Proceeds from sale and maturity of investments	192,861	88,313
Change in accrued interest receivable	(1)	–
Change in dividends receivable	(165)	717
Change in due from manager	–	9
Change in due to manager	–	(89)
Net cash from operating activities	72,731	54,730
Cash flows from financing activities		
Proceeds from securities issued	10,135	31,866
Payments on redemption of securities	(83,863)	(85,597)
Distributions paid net of reinvestments	(28)	(55)
Net cash from financing activities	(73,756)	(53,786)
Net increase (decrease) in cash and cash equivalents	(1,025)	944
Cash and cash equivalents at beginning of period	328	(1,054)
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	(697)	(110)
Cash	–	–
Cash equivalents	–	–
Bank indebtedness	(697)	(110)
Cash and cash equivalents at end of period	(697)	(110)
Supplementary disclosures on cash flow from operating activities:		
Dividends received	9,468	8,444
Foreign taxes paid	636	568
Interest received	165	561
Interest paid	4	15

The accompanying notes are an integral part of these financial statements.



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MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	427,104	13,110	17,340
Bank of America Corp.	United States	Financials	661,899	6,781	25,554
The Bank of Nova Scotia	Canada	Financials	323,129	22,254	24,314
BCE Inc.	Canada	Communication Services	133,748	8,261	8,571
Becton, Dickinson and Co.	United States	Health Care	17,608	5,725	5,895
Boardwalk Real Estate Investment Trust	Canada	Real Estate	275,179	11,523	12,221
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	309,159	16,836	21,748
Brookfield Property Partners LP	United States	Real Estate	257,736	7,280	6,931
Canadian National Railway Co.	Canada	Industrials	185,026	14,179	22,010
Canadian Pacific Railway Ltd.	Canada	Industrials	62,160	10,978	18,301
Celestica Inc. Sub. voting	Canada	Information Technology	1,287,951	9,733	12,236
CGI Inc.	Canada	Information Technology	54,225	5,476	5,681
Chesapeake Energy Corp. 5.75% Conv. Pfd. Series A	United States	Energy	33,100	31,614	18,113
Chesapeake Energy Corp. 5.75% Conv. Pfd.	United States	Energy	5,613	3,258	2,941
Cisco Systems Inc.	United States	Information Technology	86,010	5,579	5,625
Citigroup Inc.	United States	Financials	290,106	10,737	26,524
Coca-Cola European Partners PLC	United Kingdom	Consumer Staples	38,202	2,781	2,804
Compagnie Financière Richemont SA	Switzerland	Consumer Discretionary	99,927	9,082	9,704
Corus Entertainment Inc. Class B non-voting	Canada	Communication Services	1,618,082	11,176	8,560
CVS Health Corp.	United States	Health Care	26,450	3,138	2,208
Discovery Communications Inc. Class C	United States	Communication Services	187,797	4,669	6,120
E-L Financial Corp. Ltd.	Canada	Financials	19,024	5,176	14,288
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	384,335	6,561	13,786
Enbridge Inc.	Canada	Energy	425,550	22,477	19,788
Fairfax Financial Holdings Ltd. Sub. voting	Canada	Financials	20,046	11,886	11,707
George Weston Ltd.	Canada	Consumer Staples	26,732	2,708	2,980
The Goldman Sachs Group Inc.	United States	Financials	15,610	2,980	4,282
Hang Lung Properties Ltd.	Hong Kong	Real Estate	3,211,000	8,583	9,652
Hitachi Ltd.	Japan	Information Technology	126,300	3,734	6,222
Hudson's Bay Co.	Canada	Consumer Discretionary	806,998	8,460	8,191
Johnson & Johnson	United States	Health Care	31,804	5,560	5,446
Kirin Holdings Co. Ltd.	Japan	Consumer Staples	283,200	8,607	7,934
Liberty Global PLC Class A	United Kingdom	Communication Services	294,301	12,044	9,641
Linamar Corp.	Canada	Consumer Discretionary	204,474	9,954	8,807
Loblaw Companies Ltd.	Canada	Consumer Staples	178,214	10,085	13,448
Metro Inc.	Canada	Consumer Staples	97,649	5,241	5,696
Mondelez International Inc.	United States	Consumer Staples	38,441	2,777	2,815
Novartis AG Reg.	Switzerland	Health Care	69,815	7,776	8,013
Nutrien Ltd.	Canada	Materials	262,774	14,510	17,343
Oracle Corp.	United States	Information Technology	117,370	6,763	8,549
Philip Morris International Inc.	United States	Consumer Staples	45,796	4,905	4,603
Samsung Electronics Co. Ltd.	South Korea	Information Technology	191,556	7,365	10,371
Sanofi	France	Health Care	50,586	5,598	6,209
ShawCor Ltd.	Canada	Energy	440,887	12,038	6,728
SNC-Lavalin Group Inc.	Canada	Industrials	472,403	9,907	8,815
Suncor Energy Inc.	Canada	Energy	493,703	21,637	20,632
Teck Resources Ltd. Class B	Canada	Materials	491,318	7,809	10,554
TELUS Corp.	Canada	Communication Services	115,510	5,493	5,446



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Tourmaline Oil Corp.	Canada	Energy	398,914	8,692	5,230
Union Pacific Corp.	United States	Industrials	29,420	5,061	6,308
Wells Fargo & Co.	United States	Financials	92,486	5,859	6,175
Westshore Terminals Investment Corp.	Canada	Industrials	412,120	8,841	8,428
Zimmer Biomet Holdings Inc.	United States	Health Care	28,355	4,656	5,152
Total equities				477,913	546,640
Transaction costs				(505)	—
Total investments				477,408	546,640
Derivative instruments (see schedule of derivative instruments)					125
Bank indebtedness					(697)
Other assets less liabilities					749
Total net assets					546,817



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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019	
Portfolio Allocation	% of NAV
Equities	99.9
Other assets (liabilities)	0.2
Cash and short-term investments	(0.1)

Regional Allocation	
Regional Allocation	% of NAV
Canada	60.8
United States	26.2
Switzerland	3.2
Japan	2.6
United Kingdom	2.3
South Korea	1.9
Hong Kong	1.8
France	1.1
Other assets (liabilities)	0.2
Cash and short-term investments	(0.1)

Sector Allocation	
Sector Allocation	% of NAV
Financials	24.5
Energy	13.4
Consumer staples	13.1
Industrials	11.7
Information technology	8.9
Communication services	7.0
Health care	6.0
Real estate	5.3
Materials	5.1
Consumer discretionary	4.9
Other assets (liabilities)	0.2
Cash and short-term investments	(0.1)

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	97.7
Mutual funds	2.0
Other assets (liabilities)	0.2
Cash and short-term investments	0.1

Regional Allocation	
Regional Allocation	% of NAV
Canada	54.2
United States	29.7
Switzerland	3.8
United Kingdom	3.1
Japan	2.2
South Korea	1.6
Hong Kong	1.4
Luxembourg	1.3
France	1.2
China	1.2
Other assets (liabilities)	0.2
Cash and short-term investments	0.1

Sector Allocation	
Sector Allocation	% of NAV
Financials	22.0
Energy	20.2
Industrials	11.1
Consumer staples	9.9
Materials	7.0
Health care	6.3
Information technology	5.8
Communication services	5.6
Consumer discretionary	4.9
Real estate	3.9
Mutual funds	2.0
Utilities	1.0
Other assets (liabilities)	0.2
Cash and short-term investments	0.1



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MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2019

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	10,287	Canadian dollar	(7,725)	U.S. dollar	Oct. 25, 2019	(10,287)	(10,228)	59
A	2,660	U.S. dollar	(3,505)	Canadian dollar	Oct. 25, 2019	3,505	3,522	17
A	10,091	Canadian dollar	(7,585)	U.S. dollar	Nov. 15, 2019	(10,091)	(10,043)	48
AA	6,219	Canadian dollar	(4,690)	U.S. dollar	Jan. 10, 2020	(6,219)	(6,204)	15
Unrealized Gains								139
A	5,755	U.S. dollar	(7,634)	Canadian dollar	Nov. 15, 2019	7,634	7,620	(14)
Unrealized (Losses)								(14)
Total forward currency contracts								125
Total derivative instruments at fair value								125



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 12, 2019.

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment fund and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

(b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

The cost of investments is determined on a weighted average cost basis.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2019.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 9. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

(e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 9 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

(g) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

(h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 9 for the Fund's NAV per security.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Use of Estimates

Fair value of securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund, except B-Series, is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2019 and 2018 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2019, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to interest rate risk.

v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

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9. Fund Specific Information (in '000s, except for (a))

(a) Fund Formation and Series Information

Date of Formation March 26, 1979

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

Series Offered by Mackenzie Financial Corporation (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; www.mackenzieinvestments.com)

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8).

Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before September 29, 2017, Series A securities were known as Series C. Before January 1, 2019, Series T5 securities were known as Series T6.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F, Series F5 and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series FB and Series FB5 securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series FB5 securities also want to receive a monthly cash flow of 5% per year.

Series I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$10,000,000 in assets.

Series O are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series PWT5 securities were known as Series PWT6.

Series PWFB and Series PWFB5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Series AG, Series B and Series J securities are no longer available for sale. Before September 29, 2017, Series AG securities were known as Series A.

Series G securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

Series PWF and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF8 securities were consolidated into Series F and Series F8 securities, respectively.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

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9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(a) Fund Formation and Series Information (cont'd)

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	October 8, 1998	2.00%	0.22%	12.75	13.27
Series AG	March 26, 1979	2.00% ⁽¹⁾	—*	43.47	45.20
Series AR	October 23, 2013	2.00%	0.27%	10.19	10.62
Series B	July 1, 1997	2.22% ⁽¹⁾	—*	51.10	53.19
Series D	December 27, 2013	1.25%	0.19%	10.14	10.51
Series F	December 6, 1999	0.75% ⁽⁶⁾	0.15% ⁽⁹⁾	12.36	12.77
Series F5	October 24, 2018	0.75%	0.15%	13.50	14.27
Series F8	March 2, 2012	0.75% ⁽⁶⁾	0.15% ⁽⁹⁾	10.23	10.97
Series FB	October 26, 2015	1.00%	0.24%	10.64	11.01
Series FB5	October 26, 2015	1.00%	0.24%	13.08	13.85
Series G	April 1, 2005	1.50%	0.22%	14.47	15.02
Series I	October 25, 1999	1.35%	0.24%	11.60	12.03
Series J	November 24, 2011	1.70%	0.20%	14.66	15.24
Series O	June 18, 2001	— ⁽²⁾	—*	20.51	21.09
Series PW	October 11, 2013	1.75% ⁽⁷⁾	0.15%	10.46	10.87
Series PWF	None issued ⁽⁴⁾	0.85%	0.15%	—	—
Series PWF8	None issued ⁽⁵⁾	0.85%	0.15%	—	—
Series PWFB	April 3, 2017	0.75% ⁽⁸⁾	0.15%	9.22	9.52
Series PWFB5	April 3, 2017	0.75% ⁽⁸⁾	0.15%	12.17	12.85
Series PWR	April 1, 2019	1.75%	0.15%	9.49	—
Series PWT5 ⁽¹⁰⁾	April 3, 2017	1.75% ⁽⁷⁾	0.15%	11.79	12.55
Series PWT8	April 3, 2017	1.75% ⁽⁷⁾	0.15%	11.08	11.96
Series PWX	November 7, 2013	— ⁽³⁾	— ⁽³⁾	11.08	11.39
Series R	December 8, 2008	—*	—*	19.88	20.44
Series T5 ⁽¹⁰⁾	August 27, 2007	2.00%	0.24%	9.60	10.24
Series T8	April 19, 2007	2.00%	0.24%	6.44	6.97

* Not applicable.

(1) The management fee for this series is a flat fee that includes all operating expenses, except GST/HST, brokerage commissions and income taxes (if any). Prior to August 17, 2018, the management fee for Series B was charged to the Fund at a rate of 2.35%.

(2) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(3) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(4) The series' original start date was November 6, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

(5) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F8 on June 1, 2018.

(6) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.00%.

(7) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.85%.

(8) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.85%.

(9) Prior to June 1, 2018, the administration fee for this series was charged to the Fund at a rate of 0.19%.

(10) Before January 1, 2019, Series PWT5 and Series T5 securities were known as Series PWT6 and Series T6, respectively.

MACKENZIE CUNDILL CANADIAN SECURITY FUND

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CANADIAN EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(b) Investments by Mackenzie and Affiliates

As at September 30, 2019, Mackenzie and other funds managed by Mackenzie had an investment of \$9 and \$10,160 (March 31, 2019 – \$9 and \$11,703), respectively, in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

As at September 30, 2019 and March 31, 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	–	–	118	100.0
Tax withheld	–	–	(6)	(5.1)
	–	–	112	94.9
Payments to Securities Lending Agent	–	–	(28)	(23.7)
Securities lending income	–	–	84	71.2

(e) Commissions

The value of third-party services paid for by brokers during the period, is disclosed in the table below:

	(\$)
September 30, 2019	52
September 30, 2018	24

(f) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	September 30, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	15	–	–	15
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	15	–	–	15

As at March 31, 2019, there were no amounts subject to offsetting.

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth by investing mainly in Canadian equities and fixed income securities. The Fund uses a value style of investing and may hold up to 49% of its assets in foreign investments.

MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(g) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	148,755	112	(15,333)	133,534
Swiss franc	17,717	–	–	17,717
Japanese yen	14,156	–	–	14,156
South Korean won	10,371	–	–	10,371
Hong Kong dollar	9,652	–	–	9,652
Euro	6,209	36	–	6,245
Total	206,860	148	(15,333)	191,675
% of Net Assets	37.8	–	(2.8)	35.0

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	217,245	143	(20,439)	196,949
Swiss franc	24,130	–	–	24,130
Japanese yen	13,828	–	–	13,828
South Korean won	10,175	–	–	10,175
Hong Kong dollar	8,955	–	–	8,955
Euro	7,783	–	–	7,783
British pound	5,743	–	–	5,743
Total	287,859	143	(20,439)	267,563
% of Net Assets	44.8	–	(3.2)	41.6

* Includes both monetary and non-monetary financial instruments

As at September 30, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$9,584 or 1.8% of total net assets (March 31, 2019 – \$13,378 or 2.1%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to interest rate risk.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities and mutual funds. As at September 30, 2019, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$54,664 or 10.0% of total net assets (March 31, 2019 – \$64,161 or 10.0%). In practice, the actual trading results may differ and the difference could be material.

MACKENZIE CUNDILL CANADIAN SECURITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

CANADIAN EQUITY FUND

NOTES TO FINANCIAL STATEMENTS

9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(g) Risks Associated with Financial Instruments (cont'd)

v. Credit risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to credit risk.

(h) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	546,640	–	–	546,640	628,815	–	–	628,815
Mutual funds	–	–	–	–	12,797	–	–	12,797
Derivative assets	–	139	–	139	–	–	–	–
Derivative liabilities	–	(14)	–	(14)	–	(215)	–	(215)
Total	546,640	125	–	546,765	641,612	(215)	–	641,397

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended September 30, 2019, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2019, these securities were classified as Level 1 (March 31, 2019 – Level 1).

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices.



MACKENZIE
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